

A GUIDE TO THE
STREAMLINED INSPECTION PROGRAM
(SIP)



For U.S. Inspected Vessels

Developed jointly by the Maritime Industry and
the United States Coast Guard

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I. INTRODUCTION

This document is a guide to the Streamlined Inspection Program (SIP) for U.S. inspected vessels. It contains the necessary information and background for a company to initiate, and the Coast Guard OCMI to consider, an application for enrollment in SIP. Guidance is also provided on how to develop a sound Company Action Plan (CAP) and Vessel Action Plan(s) (VAP). This guidance is provided as an aid to both Coast Guard OCMI's and interested vessel owner/operators in helping to develop and implement the Streamlined Inspection Program.

While companies and OCMI's are not required to strictly comply with the contents of this guidance document, adherence to the material provided here will significantly expedite the development and enrollment process for all parties concerned.

Companies with existing quality management systems and preventive maintenance systems (PMS) may have much of the fundamental material necessary for development of appropriate CAP and VAP(s). The Coast Guard does not intend to "reinvent the wheel." Companies that have these systems in place may cross-reference to them, or include those components directly in the CAP and VAP, as appropriate. However, regardless of format, the design and implementation of a Streamlined Inspection Program must be consistent with the SIP regulations specified in 46 CFR Part 8.

CRITICAL NOTE: Companies enrolled in locally-endorsed prototype programs have 3 years to bring their plans into compliance with the national standards, after notifying the local OCMI of their intention to do so no later than 17 December 1998.

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**What it is.
What it is not.**

To truly appreciate the Streamlined Inspection Program (SIP), it is important to understand what it is and what it is not, how it works, and what goals and benefits are targets for its success.

SIP is an alternative to traditional Coast Guard inspections that was developed in response to the Maritime Regulatory Reform Initiative. The Maritime Regulatory Reform Initiative challenged the Coast Guard to re-evaluate its regulatory programs and to develop alternatives that would ensure the same level of safety.

Originally, Coast Guard Districts and OCMI's were encouraged to explore options for streamlining the traditional inspection process. This resulted in numerous "prototype" SIPs created and tested by local Coast Guard units and Districts. Soon, however, it became apparent that the diversity of these programs was actually an impediment to each program's success. Since each local version of SIP differed in the type and manner of USCG oversight, verification of the vessel's compliance with regulatory safety requirements became an issue when vessels were inspected in OCMI zones other than the one in which the SIP enrollment was made. Some OCMI's were reluctant to accept another OCMI zone's validation of the vessel's compliance because there lacked a consistent inspection practice for ascertaining compliance. Accordingly, it became necessary to develop a consistent national policy regarding SIP.

The significant difference between SIP and the traditional annual inspection program is in the *process* of how compliance is ensured. SIP is primarily an "overlay" of the Code of Federal Regulations (CFR) requirements that regulate vessel safety. It identifies an alternative process for ensuring compliance with the CFR, where company personnel conduct frequent, periodic examinations of the various vessel systems, document their findings, and take the necessary corrective actions specified in the USCG approved plans when discrepancies are discovered. The Coast Guard will still conduct required inspections of the vessel(s), however, the manner of conducting the inspection will be considerably different. SIP is not strictly or singularly a "self-inspection" program. Under SIP the marine inspector's primary focus will be to review the implementation and management of the SIP by the company and check some critical vessel systems to verify accuracy of the records.

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How it works.

SIP is based on maintaining enrolled vessels in a continual state of compliance. This continual state of compliance is assured through the development of an OCMI-approved Company Action Plan (CAP) and Vessel Action Plan(s) (VAP).

These plans:

- stipulate the company's commitment to a partnership with the Coast Guard to ensure the vessels operate in a continual state of compliance.
- identify the responsibilities of company personnel for ensuring that this commitment is fulfilled in addition to identifying the vessel specific systems that will be examined—
 - by whom,
 - when,
 - how to record the examination, and
 - what to do in the event a discrepancy is discovered.

The company will develop these plans with the assistance of a USCG SIP Advisor, assigned to work with the Company SIP Representative.

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Four-Phase Enrollment Process.

Enrollment in SIP involves a four-phase process.

- I. **Phase One: Application.** The company requests in writing to their cognizant OCMI to be considered for SIP enrollment.
- II. **Phase Two: Plan Development.** After a satisfactory review of the company (e.g., review of company records in USCG files, interview of inspectors, etc.), the OCMI will assign a SIP Advisor to assist the Company SIP Representative in developing the CAP and VAP.
- III. **Phase Three: Operational Evaluation.** Once the CAP and VAP are approved, a mutually agreed to trial period will be conducted to operationally test their effectiveness in ensuring continual compliance with the regulations.
- IV. **Phase Four: Enrollment.** At the end of the trial period, and at the request of the company, the USCG SIP Advisor will conduct an initial CG SIP Inspection with representatives from both the Company and the Coast Guard Quality Assurance and Travelling Inspector Staff (G-MO-1) to evaluate the program. If successful, the OCMI will endorse the vessel's COI for enrollment in SIP.

What are the Goals and Benefits?

The primary goal of SIP is to have vessels operate in continual compliance with the regulations, rather than the cyclical peaking of vessel materiel condition associated with the traditional annual inspections.

Some benefits that have been realized by companies participating in the prototype programs included—

- better management of vessel costs,
- increased involvement and “ownership” by vessel personnel for the safe operation of the vessel, and
- an increase in crew professional advancement.

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Conclusion

SIP embraces the Coast Guard's marine safety management principles of

- *Prevention Through People (PTP)*
- *Partnerships for Quality, and*
- *Risk Management.*

These management approaches require the Coast Guard to recognize the role vessel personnel play in the safe operation of vessels. They also challenge the Coast Guard to establish partnerships with those it regulates, develop effective and realistic solutions to safety concerns, prioritize its resource use in response to risk assessment, and design programs which are responsive in minimizing risk.

For any questions about SIP, please feel free to contact G-MOC at (202) 267-1464.

NOTE: Nothing in this guide is intended to limit the access of the small entities' participation in this program. The guide identifies tasks, positions and documentation in sufficient detail to illustrate the concepts, principles and goals of the process. Companies, including those with very small operations, can meet the conditions of participation in a variety of ways, subject to the acceptance of the OCMI. (e.g., Small companies may chose to assign several duties to a single individual, shorten or condense documentation, and adapt inspection tasks to the extent needed by limited equipment.)

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II. DEFINITIONS The following is a list of common terms and their definitions found throughout this Guide.

Casualty: The same as Title 46, Code of Federal Regulations Subpart 4.03-1 "Marine Casualty or Accident".

Civil penalty: Means a final assessment under the provisions of 33 CFR Part 1, Subpart 1.07 or 46 CFR Part 20.

Coast Guard SIP Advisor: The Coast Guard marine inspector assigned by the Officer in Charge, Marine Inspection (OCMI), to assist the Company in the development of their SIP.

Company: The owner of the vessel or any other organization or person, such as the manager or the bareboat charterer, who operates a vessel under the SIP.

Company Action Plan (CAP): The document describing a company's organization, policies, and responsibilities required for participation in the SIP.

Company SIP Agent: The individual who is responsible for the Company Action Plan and the Vessel Action Plan development and implementation and who has the authority to bind the company to the terms of these plans.

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Correction Report (CR): A document that sets out specific vessel deficiencies and is used to record their correction by the company. Correction Reports will identify a specific deficiency, the date it was identified, the corrective measure taken, the repair date, and the source or vendor.

➔ See Ch. VI, Sec. C

Documented Deficiency: Means an incident documented in a Coast Guard record in which the condition of a vessel, its equipment, or its operation was not in compliance with Coast Guard regulations.

Examination Checklist: Any document or form approved in the VAP, to be used by company employees to record the periodic examinations required by the VAP. (See Ch. VI, Sec. B). A separate Examination Checklist is optional. For example, companies may use the ISVs and CRs to satisfy this need.

Inspection Criteria Reference (ICR): The individual pages in the VAP that list each item on the vessel required by regulation to be periodically inspected.

ICRs:

- indicate every possible system/subsystem on a vessel, required by regulation, which must be periodically inspected.
- specific reference is made to the relevant CFR
- criteria or performance standard is explained
- outline the actions to be taken when a deficiency is noted during periodic inspections
- each procedure must match the numbering system on the ISV form

➔ The ICRs, grouped by the inspection Subchapter, are located in Ch. VI, Sec. E.

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Inspection Schedule and Verification (ISV) Form:

The document that lists the items to be inspected and the intervals for their inspection, and on which is recorded the completion of required examinations and tests conducted by designated company employees.

The ISV form

- identifies which systems/subsystems require inspection,
- the frequency of inspection,
- provides a record of the inspection findings, and
- are vessel specific

HELPFUL HINT: The ISV forms provided in this guidance document may be used by lining-out those systems/subsystems that do not apply to the vessel in question.

➔ The ISV Form is located in Ch. VI, Sec. A.

Prototype SIP Plan:

Means the SIP plans developed for a company or vessel participating in a Coast Guard District- or OCMI-developed SIP before implementation of the Nationwide Program.

Reportable Casualty:

The same as Title 46, Code of Federal Regulations Subpart 4.05 "Notice of Marine Casualty and Voyage Record".

SIP Examiner:

Company individual responsible for the periodic examination, recording of findings, and repair/maintenance of a vessel system/subsystem as identified in the CAP.

Streamlined Inspection Program (SIP):

Means the alternative inspection program set out in this subpart.

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SIP Inspection: The systematic process in which a Coast Guard marine inspector conducts periodic on-board examination of a vessel's condition, review of required documentation, and overall compliance with the approved CAP and VAP. The SIP Inspection is to focus on SIP training, SIP personnel knowledge of the VAP, review of deficiency resolution, and documentation, random witnessing of SIP personnel inspection of systems/subsystems, and third-party verification [the full scope and detail is proscribed by the Coast Guard SIP Inspection Form. An example of a generic form follows in Attachment (D)].

The scope of the SIP Inspection will be determined by the initial impressions made by the USCG marine inspector. (e.g., Nothing precludes the marine inspector from expanding the scope of the inspection should there become doubt about the level of company compliance with the approved CAP and/or VAP.)

**SIP Vessel
Representative:**

See "Company SIP Agent."

**Vessel Action Plan
(VAP):**

The document that prescribes procedures for maintenance, examination, and inspection of a vessel enrolled in the SIP.

Violation:

Any proven civil or criminal penalty case. See "Civil Penalty."

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III. Procedures for Participation

The following details the steps necessary for a company to participate in SIP. These steps are explained in detail in the following sections and are illustrated in Figure 1 on page 24.

PHASE ONE:

Step 1: Company Self-Evaluation

Step 2: Application to the OCMI

Step 3: OCMI Evaluation

PHASE TWO:

Step 4: Assignment of USCG SIP Advisor

Step 5: Development of Action Plans (CAP & VAP)

Step 6: OCMI Approval of CAP and VAP

PHASE THREE:

Step 7: Initial Company Personnel Training

Step 8: Operational Evaluation

PHASE FOUR:

STEP 9: Enrollment

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PHASE ONE

Company Self-Evaluation

The following criteria provide companies and OCMI's a means to determine a company's readiness to enter into the SIP. While all criteria must be met, the degree of complexity in meeting them is dependent on the company size and the composition of its fleet. The company's history of regulatory compliance, vessel condition and record of violations will also be considered.

Organizational Commitment

- Statement signed by the company's senior officer attesting to the company's commitment to enter into an ongoing partnership with the Coast Guard in marine safety.
- An organizational chart of the company.

Responsibility and Authority

- Defined, documented and delineated responsibilities, authorities and interrelations of all personnel who manage, perform and verify work relating to vessel inspection processes.
- Identification of adequate vessel inspection and maintenance support.

Regulatory Compliance

- Company mandated pre-inspections.
- Empowered pre-inspection personnel who can initiate corrective actions.
- Documented vessel maintenance and equipment records. (i.e., machinery, safety, firefighting)
- Established tracking system for regulatory compliance (i.e., FCC, deficiencies, inspection due dates).

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Application

After the company has evaluated itself to the above criteria and believes itself ready to enter into the SIP, a formal written application must be made to the cognizant OCMI.

OCMI Evaluation

The decision of whether or not to enroll a company will be made by the OCMI after considering the following:

Operational History

A three-year history is required for any company seeking enrollment in the SIP. The company should have operated an inspected vessel for at least three consecutive years

NOTE: If a company acquires a new vessel in its fleet (new construction or previously owned) and has previously gained enrollment in the program for another vessel, the new vessel may be enrolled as soon as it is issued a new COI.

A pattern of any of the following deficiencies discovered during the historical performance evaluation will disqualify a vessel (or company in the case of a first-time SIP applicant) for enrollment in SIP:

- unserviceable primary lifesaving equipment
- inoperable fire pump(s)
- insufficient number of serviceable fire extinguishers as required by the COI
- unauthorized modifications of structural or fire protection arrangements
- unauthorized modifications of equipment or structural arrangements which could have resulted in a pollution incident
- failure to maintain watertight boundaries (i.e. through hull valves, watertight doors, vent closures, scuttles, or machinery access plates)
- intentional override of any overcurrent protection device
- unqualified or insufficient manning
- insufficient or inoperable required electronic navigation equipment

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Inspector Reports

A review of MSIS or MSN cases for the past 3 years, paying particular attention to the inspection narrative, are to be reviewed to obtain an overall impression of how well the company maintains its vessels and the level of care demonstrated when deficiencies are found. Interviewing available inspectors will assist in reaching a conclusion.

Verification of Company's Commitment and Suitability

The OCMI will verify the company's commitment to safety and suitability for enrollment into SIP after reviewing the company's:

- Administrative Records,
- Operational and Managerial Processes and Policies,
- Operational History, and
- By Evaluating the Physical Condition of the Vessel(s).

When the OCMI is satisfied that the company is qualified to enter the SIP he will assign a Coast Guard SIP Advisor to work with the company.

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PHASE TWO

Assignment of USCG SIP Advisor

After completion of a satisfactory review by the OCMI, a USCG SIP Advisor will be assigned to assist the company in assembling the requisite Action Plans and other aspects of developing the company's SIP. This will include reviews of the company's necessary training, safety, and environmental programs.

While the USCG SIP Advisor will not create these programs, and no "universal" model programs are offered here as examples, the SIP Advisor will need to ensure the company implements programs that ensure the maximum level of safe vessel operations consistent with the applicable subchapter of the CFR.

Development of Action Plans

The company, with help from its assigned SIP Advisor, will develop the required Action Plans (Company Action Plan and Vessel Action Plan).

Company Action Plan (CAP)

The Company Action Plan must identify how the company will adopt the SIP and include:

1. A copy of the OCMI CAP approval letter (once the CAP is approved).
2. A statement signed by a corporate officer authorized to commit the company to a partnership with the U.S. Coast Guard, assuring safe operation of the company's vessel(s).
3. A company organization chart that includes the name(s) of the designated SIP support personnel who will be responsible for implementation and oversight of the approved CAP and VAP(s).
4. A statement describing the responsibilities and authorities of personnel involved in the examination and maintenance of the vessel(s) for the company.

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| Safety Program | <ol style="list-style-type: none"> 5. A description of the method the company will use to integrate the applicable subpart regulations into its SIP and the method or system used to initiate corrective action. 6. A description of the company's safety program. <ol style="list-style-type: none"> a. Adequate written safety plan/policy/ procedures. b. Designated Safety Officer. c. Procedures for reporting and investigating accidents. d. Established mechanism for corrective actions following reported accidents. e. Strict adherence to drug and alcohol programs: <ol style="list-style-type: none"> (1) policy for employees that do not submit to a required test in a timely fashion, (2) policy/procedures for facilitating and documenting attempts to contact employees by the Medical Review Officer, and (3) designated person (or organization) with knowledge of the program who maintains an up-to-date file of the applicable regulations. |
| Environmental Program | <ol style="list-style-type: none"> 1. A description of the company's environmental protection program. <ol style="list-style-type: none"> a. Strict adherence to all environmental protection programs. Established company policy on reporting, responding to, and preventing prohibited discharges. b. Employee awareness of environmental protection issues. |

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Training Program

1. A description of the company's training infrastructure, the method used to track and record training for individual employees, and the training required for the designated SIP support personnel to implement the CAP and the VAP.
 - a. Established training infrastructure.
 - b. Designated Training Officer.
 - c. Documented training records.
2. A master list of all SIP documents and ICRs that the company intends to use in its VAP(s).
3. Appendices for each approved VAP.

Vessel Action Plan (VAP)

Each VAP shall include at least the following:

1. A copy of the OCMI VAP approval letter (once the VAP is approved).
2. A description of the method that will be used to integrate the VAP into the vessel's regular operations.
3. Vessel-specific Inspection Criteria References (ICRs)
4. Vessel-specific Inspection Schedule and Verification (ISV) forms
5. Vessel-specific Examination Checklists (EC)
6. Correction Reports (CR)

Descriptions of ICRs, ISV, Examination Checklists, and Correction Reports follow.

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Inspection Criteria Reference (ICR):

CRITICAL NOTE:

The ICR Enclosures to this guidance document should not be assumed to contain all systems required to be examined for every possible vessel configuration. It is incumbent upon the Company to ensure that their VAP identifies all systems that apply to their vessel(s).

Inspection Criteria Reference (ICR): The ICR is the foundation SIP reference. It provides a description of inspection procedures to be used by the company in its inspection of vessel systems. Each procedure must match the numbering system on the Inspection Schedule and Verification (ISV) forms and Examination Checklist. The ICRs are to be kept current with the CFR and should be reviewed annually and revised as necessary.

The ICR is organized by system and subsystem identifiers. The table of contents indicates system/subsystem identification numbers. Each individual ICR sheet contains:

1. system name,
2. subsystem name,
3. person responsible for performing tests,
4. applicable references,
5. minimum regulatory verification frequency,
6. inspection criteria, and,
7. required deficiency action.

In the course of the company's SIP development, should a system be identified which is not covered by an existing ICR, the company must work with the SIP Advisor to develop the necessary ICR. This is necessary to ensure there isn't any confusion when CG Marine Inspectors conduct their periodic review of the vessel for compliance.

➔ ICR forms are located in Chapter VI, Section E, by vessel subchapter.

NOTE: When a new ICR has been developed, a copy is to be forwarded by the USCG SIP Advisor to G-MOC-2 for inclusion in the annual revision of the SIP NVIC.

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Inspection Schedule and Verification (ISV) Form:

Inspection Schedule and Verification (ISV) Form: The Inspection Schedule and Verification Form establishes the company's frequency of inspections of the systems and subsystems and serves as a summary of the results of the company's inspection activities for a given period of time. It contains the following four elements:

1. Vessel name and official number,
2. ICR number,
3. System and subsystem names, and
4. Regulatory frequency of inspection.

Once developed, these forms are put in the Vessel Action Plan (VAP) and managed by the company's reporting system.

➔ An example of a generic and completed form may be found in Chapter VI, Section A.

NOTE: It is important to note that these examples contain the majority of possible systems and subsystems that may be found on any particular passenger vessel. During the company's development of its own vessel Inspection Schedule and Verifications, it may be noted that certain systems and/or subsystems are not applicable. These systems or subsystems should be omitted from the company's Inspection Schedule and Verifications (ISVs), however, it is extremely important that the remaining systems and subsystems retain the same identification numbering as listed in the example.

In establishing the schedule of examinations the areas which will not be examined should be darkened. This will provide a graphic depiction of the schedule and allow the SIP Representative and Coast Guard Inspector the ability to rapidly visualize the systems and subsystems requiring examination.

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Exam Checklist:

The Exam Checklist sheets are:

- The working documents used by the SIP Examiner to conduct the physical examinations of vessel systems,
- are used at the intervals stated on the Inspection Schedule and Verification (ISV) Form, and
- contain systems and subsystems to be examined.

After examination, system condition will be indicated in the columns labeled “OK” and “NOT OK” as appropriate.

➔ An example of a generic and completed form is in Chapter VI, Section B.

Correction Report (CR):

The Correction Report (CR) is:

- used to document a deficiency that was discovered during an examination, whether or not it was correct at that time or remains outstanding.
- initiated by the company SIP Vessel Representative.

The CR lists :

CRITICAL NOTE:

Corrective action for a Firefighting or Lifesaving item deficiency will be required prior to placing the vessel back in service. Other deficiencies, which do not directly effect the safety of the vessel, should be corrected in no more than 30 days.

- the discovery date,
- ICR number,
- description of the deficiency, and
- the date correction is required by the ICR or Vessel Action Plan.
- the corrective action planned, taken, and the date corrected.

Correction Reports become part of the company’s reporting mechanism and can be instrumental in identifying and correcting recurring problems with the vessel systems and subsystems.

➔ An example of a generic and completed form follows in Chapter VI, Section C.

Submission of

Action Plans for

Review and

Approval

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The assembled Plans will be submitted to the OCMI for review. If found satisfactory, the OCMI will issue an approval letter and the Company will enter Phase 3.

If the Company, or Vessel Action Plan(s), need to be revised it will be returned to the company with a letter indicating generally that revisions are necessary for approval. Once the revisions are made, the Plan will be re-submitted to the OCMI for consideration.

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PHASE THREE

The company will enter the Operational Evaluation phase of its SIP enrollment process upon receipt of the OCMI's written approval of the Company Action Plan and Vessel Action Plan(s).

This phase includes:

1. Initial Company Personnel Training;
2. Operational Evaluation of the Plans

Initial Company Personnel Training:

The SIP Advisor will evaluate the company's training to ensure it adequately prepares the responsible personnel to satisfactorily perform their tasks under SIP.

The SIP Advisor will do this by

- reviewing training materials,
- attending training sessions, and
- conducting tests of individual crew members for their ability to satisfactorily perform their designated tasks per the CAP and VAP.
- providing the Company SIP Representative with recommendations on their training program.

CRITICAL NOTE: Companies who employ outside (third-party) contractors to maintain certain vessel systems/subsystems need to be able to verify the competency of the contractor to perform the task.

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Operational Evaluation: During the Operational Evaluation:

- The vessel must operate and be examined under the VAP for a period of at least 3 months.
- During this operational evaluation, the Coast Guard SIP Advisor will conduct an ongoing evaluation of the vessel's operation for compliance with the VAP.
- The Coast Guard SIP Advisor will report periodically to the cognizant OCMI and the Company SIP Agent on the vessel's performance, and
- Based on observations, make recommendations for
 - Improvement(s), if needed, or,
 - Enrollment, if satisfactory.

CRITICAL NOTE: Revisions required as a result of the findings during the Operational Evaluation may necessitate additional time under evaluation to determine if the revisions have successfully addressed the problem(s).

All revisions to the CAP or VAP must be satisfactorily addressed prior to enrollment.

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PHASE FOUR

Enrollment:

Following a successful trial period¹, the local OCMI authorizes full implementation of the SIP by endorsing the Certificate of Inspection of participating vessels as follows:

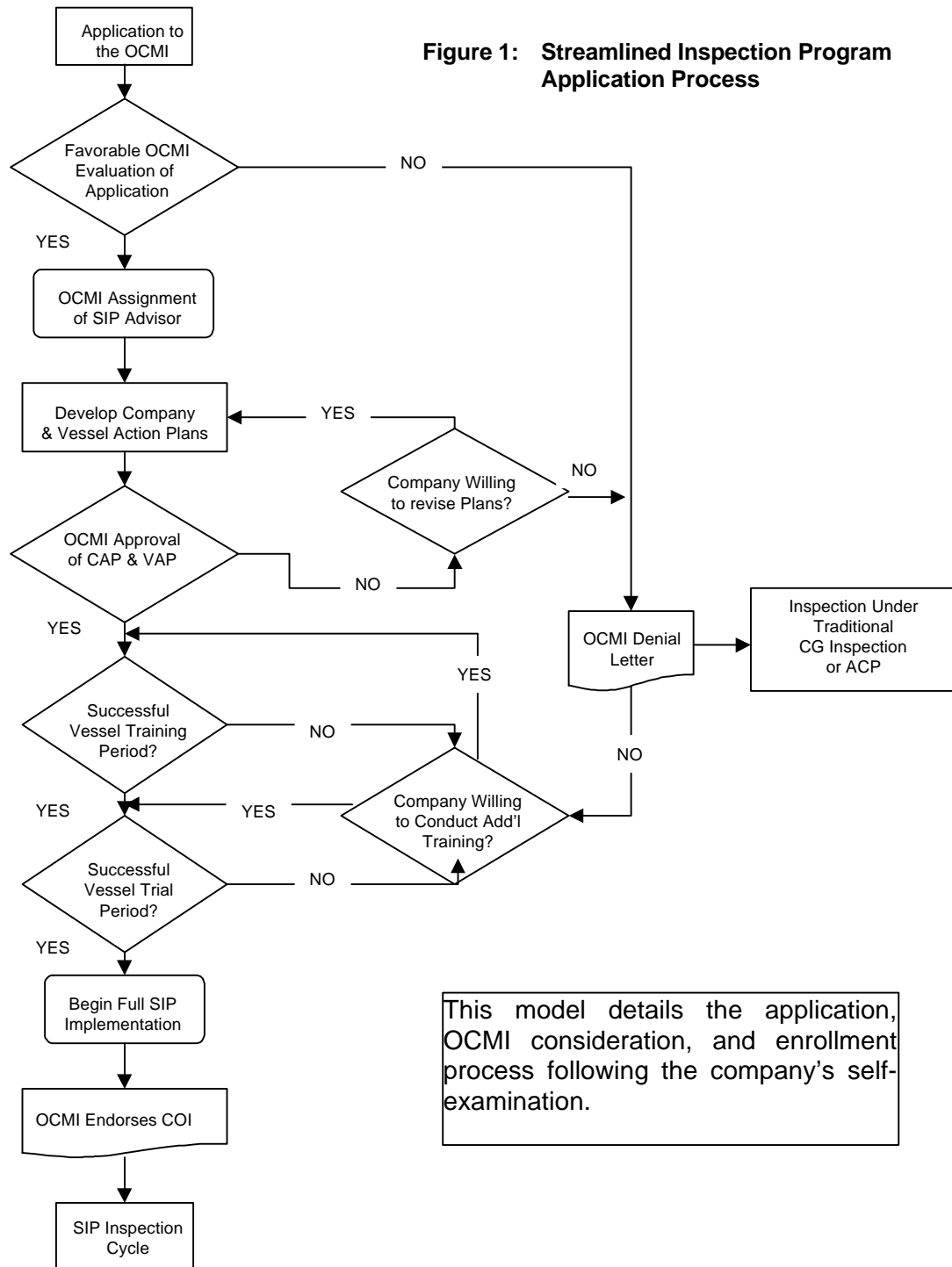
"This vessel is participating in the Streamlined Inspection Program (SIP) in accordance with 46 CFR Subpart 8. Routine Coast Guard inspection activities aboard this vessel are to be conducted in accordance with the Vessel's Action Plan. Inspection issues concerning this vessel should be directed to OCMI (port)."

A Coast Guard inspector will periodically conduct a SIP Inspection of each vessel to satisfy regulatory requirements and to ensure the advancement of the program. The topic of oversight, that is monitoring and inspecting, is detailed in Chapter IV, Sections D through F.

¹ G-MO-1 should be kept apprised throughout the entire process of the first company enrollment in each OCMI zone. The Travelling Inspector will provide assistance in the development and implementation of the initial SIP enrollment in each OCMI zone. This will ensure consistency nationwide.

G-MO-1 will be informed of future SIP applications, but will choose which programs to oversee for quality assurance purposes.

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IV. PROGRAM ADMINISTRATION

Company Responsibilities

Development of Action Plans

- Ensure that the ICR is available and contains applicable criteria for every vessel system and subsystem required by Coast Guard regulations (international certificates will continue to be administered by the USCG or it authorized issuing organization).
- Ensure that the Company SIP Representative establishes and maintains close communications with the USCG SIP Advisor.
- Submit the CAP and VAP to OCMI for review and approval.

Training of SIP Personnel

- Develop a company training curriculum which addresses the skills necessary to carry out all SIP functions.
 - Provide training to all company personnel involved with SIP, based upon their respective positions and responsibilities.
 - Specifically ensure SIP Examiners are provided the training necessary to carry out all activities associated with ICR and Exam Checklists.
 - Establish training records for each company person involved with SIP.
 - The Company SIP Agent must ensure that all company personnel involved with SIP are afforded the time necessary to conduct and/or participate in training.
 - Adjust the training curriculum as necessary to address problems discovered during examinations or CG inspections, changes in company personnel, or changes in relevant vessel systems and subsystems.
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Forms Management

NOTE: All listed forms shall be kept onboard SIP vessels when the SIP Inspection OCMI is different from the SIP Approving OCMI.

- Inspection Schedule and Verification (ISV): Completed and maintained by SIP Vessel Representative.
- Exam Checklist: Completed by SIP Examiner and maintained by SIP Vessel Representative.
- Correction Report: Completed and maintained by the SIP Vessel Representative.
- Inspection Criteria Reference (ICR): Maintained by SIP Vessel Representative and available to SIP Examiner.

Coast Guard Responsibilities

Commandant (G-MOC)

- Maintains SIP NVIC and publishes appropriate, timely updates.
- Manage the program at the national level.
- Provide liaison between field personnel/commands and the public.
- Analyze program data and implement adjustments.

Commandant (G-MO-1)

The Quality Assurance and Travelling Inspectors' Staff will provide support for field implementation and quality oversight of the SIP. This includes:

- Conduct start-up training for local OCMI's and Companies interested in participating in SIP.
- Conducting initial Coast Guard SIP Inspection per OCMI zone for consistency in evaluation and implementation.
- Tracking progress of SIP implementation nationally for consistency.
- Reports regularly on SIP implementation, findings, and "lessons learned," making appropriate recommendations for improvement and/or adjustment to—
 - G-M
 - G-MO
 - G-MOC

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District Commander

- Receive and retain relevant data/information on SIP participants within their District for use in modifying enforcement, identifying trends and safety issues, and to initiate corrective action following notification of G-MOC-2.
 - Review and take action on appeals originating from SIP issues.
 - Ensure all OCMI's are provided the necessary training and staff to effectively promote and administer the program.
-

OCMI

- Review the local vessel inspection program and ensure that the SIP is given priority consistent with the G-M business plan.
 - Facilitate program knowledge in area of responsibility.
 - CAP and VAP approval authority.
 - Waiver authority.
 - Ensure that proper process controls and measurement take place to monitor and constantly evaluate the progress and performance of companies participating in the SIP.
 - Ensure all SIP Advisors receives appropriate training, time management and empowerment to carry out his/her duties.
 - Ensure that all USCG SIP Advisors make the appropriate cultural adjustment to provide proactive customer service.
 - Ensure remedial action is taken in a timely manner to keep SIP applicants and enrollees on-track.
 - Act on USCG SIP Advisor recommendations for remedial actions and disenrollment.
 - Collect and input required inspection data into the Coast Guard Marine Safety Database (e.g., currently MSIS, later to be MSN).
 - Coordinate, as circumstances warrant, with District (m) and Headquarters staffs (G-MOC-2 and G-MO-1).
-

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USCG SIP Advisor

NOTE: The USCG SIP Advisor is not a billeted position. It is, rather, a "select-and-direct" assignment by the OCMI. A unit will, in all likelihood, have a number of SIP Advisors.

- The USCG SIP Advisor is the primary Coast Guard point of contact for the company and vessel. He/she is directly responsible for the advancement of the program. The SIP Advisor's responsibilities are:
 1. To cooperate with the company.
 2. Maintain customer focus.
 3. Be a proactive participant in program monitoring, with the frequency and in the spirit outlined in this guide.
 4. Provide the necessary feedback to the OCMI on individual company and vessel SIP progress.
 5. Identify opportunities for program improvement.
 6. Alert the OCMI concerning any remedial actions, possible disenrollments or appeals.
 7. Confer with the OCMI to receive any feedback from companies who may have called.

Shared Responsibilities

- As an interactive, ongoing program there are any number of responsibilities shared by the company and the Coast Guard. Among these are:

Initial enrollment

1. Initial enrollment involves the first-time application and screening process for a company and its first vessel's entry into SIP. Particular attention must be given to the development of ICRs necessary to cover vessel unique systems or subsystems. This process was covered in Procedures for Participation, Ch. III.

Vessel Reinstatement

2. Vessel's may be reinstated following disenrollment, either voluntarily or involuntarily, provided:
 - The vessel does not change ownership in the interim,
 - The vessel and company remain, or return to being, eligible for enrollment in SIP,

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Vessel Re-enrollment

3. The process of “re-enrollment” applies to scenarios where the ownership of the vessel has changed. The re-enrollment may involve all or part of the Procedures for Participation outlined in Ch. III.

Changes in Vessel Ownership Issues

- A vessel may be re-enrolled in SIP after a change in ownership, provided:
 1. The previous owner participated in SIP with one or more vessels;
 2. At the time of the sale the vessel was an active SIP participant;
 3. The new owner is an active participant in SIP at the time of the sale; and,
 4. The new owner receives approval from the cognizant OCMI for a revised Vessel Action Plan that is consistent with the new owner’s Company Action Plan.

NOTE: For changes of ownership, which involve the transfer of a vessel from a non-SIP company to a participating SIP company, or acquisition of a newly constructed/certificated vessel, the new owner may enroll the vessel upon approval of the VAP by the cognizant OCMI. **Any other scenarios will necessitate compliance with all provisions of Chapter III, Procedure for Participation.**

Appeals of Coast Guard Decisions/Actions

Appeals of OCMI decisions will be made in accordance with the provisions of 46 CFR 1.03—Rights of Appeal.

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Monitoring Intervals

“Monitoring” refers to opportunities for Coast Guard and company interaction over and above periodic SIP Inspections prescribed by the regulations.

The appropriate frequency of monitoring is dependent on a number factors, including:

1. the stage of a company’s SIP development;
2. assessment of performance indicators which point toward remedial action; and,
3. any changes in vessel operations.

It is expected that the most frequent monitoring will occur from the company’s initial application through the trial period.

Although a mandatory regime for frequency of monitoring is inadvisable, the following general guidelines should help the company recognize reasonable expectations for Coast Guard support, and assist the OCMI with planning the allocation of inspector resources.

Figure 2

RECOMMENDED USCG INVOLVEMENT SCHEDULE			
Milestones		Frequency	
Application 1 – 2 Months	➔	At Least 1 Call or Visit Per Week	Monitoring Period
Training & Trial Period ≥ 3 Months	➔	From 1 Call/Visit Per Week, Tapering to 1 Call/Visit Per Month	
Full Implementation (Minimum of 6 Months from Application)	➔	1 Call/Visit Per Month	SIP Inspection Period
Next COI or RIN	➔	Call Quarterly Visit As Needed, no less than Annually	

NOTE: It is the company’s responsibility to initiate all contacts.

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Monitoring is the opportunity for the USCG SIP Advisor to assist the company with the development of its SIP. It is not to be taken as reason to initiate a formal Coast Guard inspection or SIP Inspection. Therefore, during typical monitoring the inspector should not take any enforcement action. Exceptions would include discovery of a major deficiency in firefighting or primary lifesaving. Otherwise, the USCG SIP Advisor should seek to correct any deficiencies noted through the mechanism provided in the Company's Action Plan.

Satisfaction in Service

If the Company SIP Representative is unsatisfied with the service provided by the USCG SIP Advisor, the owner should contact the OCMI to resolve the situation.

SIP Inspection, COI Issuance, and Drydock Examinations

Monitoring is the term that describes Company and Coast Guard interaction from initial application up to full implementation. Thereafter this interaction is referred to as "SIP inspection"

➔ See Ch. II: Definitions for description.

At the point of full implementation as described in Chapter IV, a new Certificate of Inspection (COI) will be issued to the vessel, which will include the SIP endorsement. The date of this COI will be the anniversary date for as long as the vessel remains enrolled in the program.

Under SIP there are no inspections in the traditional sense (e.g., COI, RIN, Mid-Period). Instead, Coast Guard marine inspectors will use the SIP Inspection form and procedures.

➔ See Ch. VI. D. for a copy of this form.

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Inspection Frequency

Thirty days prior to the anniversary date of the COI the company will submit an application for inspection. Upon receipt of the application, the OCMI will confirm with the USCG SIP Advisor, or last attending marine inspector, that the vessel is in full compliance with the VAP. If so, a COI will then be issued.

		Traditional Program	SIP
Inspection Interval		Per controlling Subchapter of 46 CFR	At least of a frequency equal to the controlling Subchapter of 46 CFR, but with OCMI discretion on nearness to anniversary dates, based on USCG SIP Advisor recommendations.
Qualification of Inspector		USCG Marine Inspector—fully qualified for the type of vessel involved.	USCG Marine Inspector—fully qualified for the type of vessel involved.
Type of Inspection	COI	Stem-to-Stern Inspection by USCG Marine Inspector for compliance with the CFR	Oversight inspection to confirm compliance with USCG approved CAP & VAP
	Re-Insp / Mid-Period	Less stringent than COI, but thorough enough to confirm vessel remains in compliance with condition of COI.	OCMI confirms compliance by review of oversight inspections, reports from both USCG SIP Advisor and Company SIP Agent. If OCMI is satisfied with verity of compliance, the Company SIP Agent is then authorized in writing from the OCMI to endorse the appropriate block of the COI.
	Drydock	Conducted by a Drydock Qualified Marine Inspector.	Conducted by a Drydock Qualified Marine Inspector. Drydock inspections are not included in SIP. This issue will be revisited in the future as the program matures.
	Cargo Tank Internals	Conducted by a Drydock or Hull Qualified Marine Inspector.	Conducted by a Drydock or Hull Qualified Marine Inspector. Cargo Tank Internal inspections are not included in SIP. This issue will be revisited in the future as the program matures.

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Character of USCG SIP Oversight Inspections

The character of the Coast Guard oversight inspections is different than that of traditional Coast Guard inspections. Under SIP the Coast Guard marine inspector examines the SIP administration and performance, rather than direct inspection of vessel systems. The marine inspector's focus is on observing SIP performance indicators; actual verification that the SIP is being administered properly and that it is achieving its intended results. The primary performance indicators include:

1. Changes in operational parameters;
2. Breakdowns within the SIP process;
3. Materiel deficiencies; and
4. External indicators

The marine inspector will access these indicators by:

1. An administrative review;
2. A SIP performance review; and
3. A materiel review.

A New Dynamic Takes Place in How Inspections are Managed

Based on the observations made, the marine inspector will make the official inspection conclusions and recommendations.

The dynamic that takes place during an SIP inspection changes from one where the Coast Guard marine inspector directs the activities, to one where the Company Representative demonstrates the performance of the SIP. Under SIP, the company has agreed to conduct its vessel operations in compliance with the approved CAP and VAP. Examples of non-compliance represent a possible breakdown in the SIP and may suggest expansion of the Coast Guard marine inspector's inspection. Under SIP, it is incumbent upon the company to verify compliance with the approved Plans.

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Mid-Period Exams

For mid-periods or other periodic re-inspections required by regulations, the OCMI will again confirm with the USCG SIP Advisor, or last marine inspector who attended the vessel, that the vessel was in full compliance with the VAP. If so, the OCMI will instruct the Company SIP Agent to initial the COI in the appropriate block. The periodic SIP Inspection may be conducted any time during the year whenever it is most advantageous to both the company and the Coast Guard.

The Company SIP Agent is responsible for contacting the Coast Guard to schedule an inspection.

An annual SIP Inspection frequency is a minimum. If the OCMI believes that a vessel might not be in full compliance at any time, he may direct a marine inspector to conduct an SIP Inspection.

Drydock and Internal Structural Exams *ARE NOT* Included in the SIP

Until further notice, drydock and internal structural examinations will continue to be conducted in the manner prescribed by the applicable operational subchapter. SIP Inspections may or may not be conducted coincident with a drydock examination, at the discretion of the OCMI. As historical SIP performance data are collected and evaluated by the Coast Guard, drydock examinations may eventually be included within this program.

Oversight

SIP is an ongoing interactive process between the Coast Guard and a company's responsible SIP personnel. This interaction occurs naturally during inspections required by regulations. If SIP is operating properly, the Coast Guard inspection will take the form of a SIP Inspection.

This will typically entail—

- examination of the company's SIP documents,
- spot checks of vessel systems/subsystems,
- verification that the conditions aboard the vessel are as documented, and
- confirmation that noted corrective actions have been properly performed.

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Oversight provides a necessary feedback loop for both the Coast Guard and the company. Oversight of the SIP involves addressing four general categories of performance indicators:

1. Changes in Operational Parameters,
2. Breakdowns within the SIP process,
3. Materiel Deficiencies, and
4. External Indicators.

Required regulatory inspections will provide the primary oversight and lead to one of three conclusions:

1. The SIP is functioning properly and the desired level of safety has been satisfactorily maintained without Coast Guard intervention.
2. There are deficiencies in one or more of the performance indicators which signals the need for remedial actions, such as revisions in SIP forms or closer adherence to the defined program; any of which warrant additional Coast Guard and company interaction.
3. The vessel should be disenrolled from the program.

While the first conclusion will lead to no specific follow-up action, both the second and the third will. The conclusion that the vessel should be disenrolled will require the Coast Guard to amend the vessel's COI to remove the SIP endorsement. The company must then decide whether to seek reinstatement or continue to operate under the traditional inspection program.

➔ See "Shared Responsibilities" Ch. IV, Sec C.

A requirement for remedial action, will be dictated by the severity of the breakdown of the SIP as per the performance indicators. For worst cases, remedial action will lead to disenrollment.

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Causes for Automatic Disenrollment

The breakdown in any of the four general categories of performance indicators could result in the automatic disenrollment of the vessel, depending on the severity of the breakdown. The following items, arranged under their respective performance indicators, will result in the automatic disenrollment of the vessel.

Operational Changes

1. Operational Changes:
 - a. Operation of the vessel outside the scope of its COI or Stability Letter; or
 - b. Sale of the vessel, that is, any selling of a vessel from one company/organization to another.

Process Breakdowns

2. Process Breakdowns:
 - a. Unreported personnel casualty following a serious incident or accident involving death or injury which required emergency evacuation or removal from the vessel; or
 - b. Unreported materiel casualty that impaired the vessel's seaworthiness, or resulted in damage to the vessel or other property in excess of \$25,000.

CRITICAL NOTE: Failure to report either 1 or 2 above indicates a company's lack of good faith in carrying out the company's SIP responsibilities.

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Materiel Deficiencies

3. Materiel Deficiencies: (if such deficiencies were obviously existent while the vessel remained in operation in other than an emergency situation):
 - a. Missing primary lifesaving equipment;
 - b. Inoperable fire pump(s);
 - c. Missing required fire extinguishers;
 - d. Unauthorized modifications of structural or fire protection arrangements;
 - e. Unauthorized modifications of equipment or structural arrangements which resulted in a prohibited discharge;
 - f. Failure to maintain required watertight boundaries;
 - g. Intentional override of any overcurrent protection device;
 - h. Insufficient or inoperable required electronic navigation equipment; or,
 - i. Missing required EPIRB.

External Indicators

4. Automatic disenrollment actions for External Indicators are not applicable. Such deficiencies are indicative of remedial actions and should be addressed accordingly.
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Causes for Remedial Action

The breakdown in any of the four general categories of performance indicators will result in remedial actions appropriate for the severity of the breakdown. Such actions include, but are not limited to: (1) Further development of the Company's Action Plan; (2) Further training of company personnel; (3) More frequent SIP Inspecting by the Coast Guard; or (4) More frequent reports by company personnel. All remedial actions are based upon strengthened verbal and written communications between Company SIP Representatives, OCMI's, and USCG SIP Advisors.

1. Failure to notify the OCMI of the following Operational Changes may result in remedial action:
 - a. Any change in responsible SIP personnel or company management;
 - b. When a vessel permanently changes operating area to a different OCMI zone;
 - c. Change in vessel service; or,
 - d. The lay-up of the vessel.
2. The following *process breakdowns* may require remedial actions:
 - a. Increase in the number of deficiencies noted by the company;
 - b. Failure to follow VAP or CAP (including, but not limited to, reporting procedures, training/safety programs, or drug and alcohol programs);
 - c. SIP Inspection deficiencies noted by the Coast Guard;
 - d. Crew complaint to Coast Guard; or,
 - e. Failure to update VAP in response to minor changes to vessel arrangement or equipment.

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3. The following External Indicators may require remedial action:
- a. A proven Suspension and Revocation (S&R) case against any company person with designated SIP responsibilities;
 - b. A monetary assessment or letter of warning against the company under Coast Guard civil penalty procedures;
 - c. A reportable marine casualty;
 - d. A substantiated passenger complaint to the Coast Guard; or,
 - e. A change in applicable regulations.

NOTE: Remedial actions for Material Deficiencies are not applicable. Such deficiencies are indicative of process breakdown and should be addressed accordingly.

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Marine Safety Database Entry (MSIS/MSN)

It is critical that SIP vessels are tracked consistently and in a manner where they can be compared with those vessels operating under the traditional inspection program. While the Marine Safety program's new database system (MSN) is being developed, it will be necessary for official SIP activity to be collected in the existing MSIS database. Information collected during the course of the periodic Coast Guard oversight inspections and that gathered from company reported events are to be entered into MSIS in the same manner as one would for any non-SIP vessel. When MSN comes on-line there will be a field allocated for traditional and alternative inspection programs. Vessel's enrolled in SIP will be identified by this special field so that data can be queried on the SIP fleet separate from, or in comparison to, the traditionally inspected fleet.

In the interim, while MSIS is still operational, SIP vessels will be identified by querying the VFOD for the acronym "SIP." For this reason alone, it is imperative that the SIP endorsement be entered precisely as it is given on Section III, Page 14. The USCG SIP Advisor will enter the endorsement on the COI locally, along with all other inspection relevant information, and ensure that a copy of the SIP Enrollment Approval Letter is forwarded to G-MOC.

The USCG Marine Inspector conducting the SIP oversight inspection will collect a copy of all ISVs and CRs as part of the inspection record. OCMI's may request data downloads for analysis of vessel activities by contacting G-MOA-2.

Unless there are deficiencies found that are required to be tracked in accordance with the directions on the next page, an MIAR entry to account for time and a brief narrative statement about the scope and findings of the oversight inspection will be the only MSIS entry made.

Additional instructions will be promulgated in the future as tracking, measurement, and migration to the MSN database continues.

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In addition to the above MSIS entries, Inspection Notes entries in MSIS must be made for the following Correction Report Codes. Entries will include the Correction Report Code, the System/Subsystem title and code, and a brief description of the occurrence. The following is an example of such an entry:

INSPECTION NOTES:		
1530	X/XX	Radar, secondary radar failed requiring servicing.

Deficiency Codes Required to be Collected

- ☐ 0600 (Series) Lifesaving Appliances
- ☐ 0700 (Series) Firefighting Appliances
- ☐ 0930 Stability and Strength
- ☐ 0936 Steering Gear
- ☐ 0960 Means of Escape
- ☐ 1000 (Series) Alarms
- ☐ 1240 Navigational Equipment
- ☐ 1530 Radar
- ☐ 1540 Gyro Compass
- ☐ 1615 Watch Receiver (Radio)
- ☐ 1671 EPIRB 406 MHz/1.6 GHz
- ☐ 1700 (Series) MARPOL Annex I
- ☐ 1900 (Series) MARPOL Annex II
- ☐ 2000 (Series) SOLAS Related Operational Deficiencies
- ☐ 2100 (Series) MARPOL Related Operational Deficiencies
- ☐ 9800 (Series) All Other Deficiencies of a nature clearly hazardous to safety, health, or the environment. Specify.

➔ See Ch. VI E: Deficiency Codes for list of codes for deficiencies.

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SIP Measurement Plan

Equally important, it is necessary that SIP be evaluated for its success in attaining the program goals, identification of program inefficiencies for improvement, and how well SIP vessels perform as compared to vessels operating under the standard inspection program. For this reason, specific measurement criteria of the Program's effectiveness will be designed and reviewed. Currently, field personnel are instructed to enter all relevant inspection related data for SIP vessel activities in an identical manner as non-SIP vessels.

OCMIs will:

- Ensure the MSIS/MSN data entry requirements of the previous section are performed.

G-MOC-2 will:

- Analyze MSIS/MSN data for trends and take appropriate actions based on those findings.

NOTE: Use the deficiency reporting procedures specified in MSM Vol. II, Ch.3.c.3.g. for capturing deficiency data. This information is to be entered in the MSDS product set of MSIS, or its future replacement in MSN.

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V. FREQUENTLY ASKED QUESTIONS (FAQs)

A number of questions, concerns, comments, and myths have arisen about the Streamlined Inspection Program. The following information is provided in “FAQ” format to provide both the OCMIs and industry personnel with clarification on common issues.

A. Inspection Programs

FAQs in this section deal with Inspection Programs in general.

1. Can vessel owners/operators enroll in both ACP and SIP?

The SIP and the ACP are two separate and mutually exclusive inspection programs.

- *The SIP is an alternative method of conducting traditional Coast Guard inspections, with periodic oversight inspections conducted by Coast Guard marine inspectors.*
- *The SIP is available as an alternative to any U.S. inspected vessel.*
- *SIP requires compliance with the appropriate subchapter of Title 46 CFR.*
- *The ACP provides for vessel inspections using inspectors employed by a recognized classification society.*
- *The ACP is available only to vessels capable of operating on international voyages and classed through a recognized classification society.*
- *ACP requires compliance with the vessel’s class rules, international standards, and the U.S. Supplement in lieu of the CFR.*

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*V.A.: Inspection Program -
Continued*

**2. Is SIP a
Self-Inspection
Program?**

Not completely, although the vast majority of the examinations verifying compliance with the regulations will be done by vessel personnel.

- Under SIP, company personnel are responsible for conducting regular tests and examinations of various vessel systems, recording their findings and initiating appropriate actions as specified in their OCMI-approved CAP and VAP.*
- The Coast Guard is still required to verify compliance with applicable regulations and the conditions of the company's approved plans.*
- The local OCMI approves Company and Vessel Action Plans, with Coast Guard marine inspectors conducting required periodic and follow-on inspections.*

**3. Will drydock exams
be included in the
SIP?**

At present, drydock examinations are not included in the SIP.

- The Coast Guard must evaluate SIP performance data before considering adding drydock examinations to this program.*

**4. Will Critical Area
Inspection Program
(CAIP) inspections
be included in SIP?**

The CAIP is not a regulatory program^{3/4}SIP only applies to the regulatory requirements for the vessel under the traditional inspection program.

NOTE: *Currently, the Coast Guard is invited to attend CAIP surveys, but we are not required to witness the inspection. The CAIP surveys can be included as part of a CAP or VAP just like any other preventative maintenance program, if approved by the OCMI as part of the plan.*

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*V.A.: Inspection Program -
Continued*

5. What will the USCG marine inspectors look at during the oversight inspection?

- *Marine inspectors under the SIP will conduct their examinations to confirm compliance with the CAP and VAP. A copy of the recommended Coast Guard SIP Inspection Form and instructions on its use is provided in Section IV.D to this guidance, available from the SIP website linked to:*

<http://www.uscg.mil/hq/g-m/gmhome.htm>

- *The marine inspector will only expand the examination parameters if discrepancies are discovered or there is otherwise cause for concern.*
 - *These would be instances where the marine inspector believes the vessel is not being operated in complete compliance with the approved VAP.*
 - *The degree of severity of the discrepancy would dictate the actions taken by the OCMI. A major discrepancy, such as insufficient PFD's, would certainly lead the CG inspector to expand the scope of the oversight inspection and possibly lead to disenrollment actions. For a less serious, minor discrepancy, such as not having the vessel's name stenciled on 100% of the PFDs, the CG inspector would ensure a Correction Report was filled out. The OCMI may require an increase in the SIP oversight frequency until satisfied that this was a unique incident, or that there exists some form of breakdown in the SIP. The OCMI, through the SIP Advisor, would work with the company to resolve the problem.*
- *The OCMI remains responsible for ensuring the safe operation of vessels within that inspection zone.*
 - *There is nothing in the SIP that diminishes the OCMI's authority or responsibility to ensure the safety of life, property, the environment, and facilitation of maritime commerce within that zone.*

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B. Program Policy

FAQs in this section deal with SIP Program policy specifically, including the handling of prototype-SIP programs and the handling of other “quality” management standards/programs.

1. Will there be a change in the annual requirement for USCG oversight inspections?

The SIP is an alternative to traditional Coast Guard inspections. A particular vessel inspection interval is determined by the regulations contained in the applicable subchapter. The intervals will change if the regulations for that class of vessel (e.g., Subchapter D barges) changes.

2. Once a vessel is disenrolled, what are the parameters for re-enrollment or reinstatement?

Re-entry Mode	Applies When	Process
Reinstatement	<ul style="list-style-type: none"> Vessel has been disenrolled from SIP, voluntarily or involuntarily. Ownership never changed during the interim. Company seeks to have vessel's SIP status reinstated. 	<ul style="list-style-type: none"> Apply to OCMI for Reinstatement. OCMI conducts historic review of company and vessel to ensure no major changes have occurred in either which may indicate unsuitability for enrollment. Involuntarily disenrolled companies may request special consideration in light of improvement. If satisfactory, reinstatement will be granted.
Re-Enrollment	<ul style="list-style-type: none"> Vessel changes ownership. Vessel was in SIP at time of sale. Both prior and new owners are SIP companies. New owner seeks to continue vessel in SIP. 	<ul style="list-style-type: none"> Same as for Reinstatement.

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*V.B.: Program Policy -
Continued*

3. How will a merger between a SIP and non-SIP company affect the administration of the company's program?

It is dependent upon which company is absorbed, and which remains.

- In general, and contingent upon OCMI review, if the dominant management system remaining after the merger is that of the SIP enrollee, the previous SIP will in most cases continue after the necessary revisions are made to the existing CAP and VAP.*
- On the other hand, if the dominant management system is that of the non-SIP company, the new entity will be required to fully comply with the enrollment procedures. This process should be simplified by the existence of a previously accepted SIP CAP and VAP.*

4. Will user fees be reduced as an incentive to encourage vessel operators to enroll in SIP?

The Coast Guard will consider a regulatory project to review user fees for enrolled vessels when sufficient data is available. Prototype programs have had varying degrees of Coast Guard involvement and are not entirely representative of the Nationwide SIPs resource uses, and therefore cannot be a basis for determining the overall costs or savings of the SIP.

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C. Waivers

FAQs in this section deal with SIP Program policy on granting waivers specifically, including new construction and vessels of unique design.

1. Are there special provisions for newly-constructed vessels and recently-acquired, existing (i.e., new-to-company) vessels relative to the 3-year eligibility requirement?

- *Newly-constructed vessels are in the best condition they will probably ever be in. This is the best time to establish the vessel's base-line for enrollment.*
- *For recently-acquired existing vessels, if a company enrolled in the SIP takes the time to bring the vessel into full compliance, then a vessel's performance under the previous operator during the past 3 years should not be determinative of the vessel's eligibility for SIP enrollment with the new owner. In many instances, these vessels may be suitable for the SIP. Companies with one or more vessels already enrolled in the SIP need not meet the 3-year requirement in §8.515(b)(1) for a newly-constructed or recently-acquired vessel, upon OCMI approval. Generally, the period required for these situations will be that necessary to approve a VAP and verify its suitability through the operational evaluation period.*

2. Are newly-formed companies eligible to participate, or are they required to establish a 3-year operational track record before application?

The 3-year history requirement provides the OCMI with a record of a company's commitment to the safe operation of its vessels. However, under the waiver provision, the OCMI may consider enrolling a company or vessel that does not meet all the eligibility requirements.

An OCMI may allow a company with less than a 3-year's history to apply for enrollment. The determination as to whether or not to grant enrollment will be determined during the course of developing the CAP, VAP, and operational evaluation. If, in the OCMI's opinion, the company is sufficiently competent to manage there vessel(s) under SIP, the 3-year requirement may be waived. The minimal period expected to be needed to make this determination is approximately one year.

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V.C.: Waivers - Continued

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| <p>3. Are there special considerations for vessels of “unique design?”</p> | <p><i>That determination is to be made by the OCMI in consult with the Marine Safety Center.</i></p> <hr/> |
| <p>4. May components of SIP be waived for a company that has implemented a recognized quality management program such as an ISM or the American Waterways Operators (AWO) RCP?</p> | <p><i>The Coast Guard doesn't intend to impose a redundant burden on companies that have already implemented a quality management system, provided the training requirements of the quality management program meet those of SIP. For those companies that have a quality management system in place, the OCMI may consider accepting in the CAP and VAP those quality management components that meet the specific requirements for SIP. For example, evidence that the training conducted to meet a quality management program is consistent with that required under the SIP may prove satisfactory compliance with the SIP training requirement.</i></p> <hr/> |
| <p>5. When can a waiver be requested; who can request the waiver, the OCMI or the vessel operator; and is the waiver the equivalent of an appeal for a marine inspection requirement?</p> | <p><i>A company may request a waiver at anytime. The company will request the waiver through its SIP Agent for any procedural requirement in Subpart E, such as eligibility. Waiver of substantive inspection requirements, however, should be submitted in accordance with procedures in the subchapter containing the requirement.</i></p> |

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D. Plan Development (CAP & VAP)

FAQs in this section deal with issues centering on the development of required SIP Company and Vessel Action Plans.

1a. Do barge fleets have to develop a separate VAP for each vessel? May companies, instead, develop a VAP for each barge series where the construction, piping, and configuration are consistent?

A series VAP might be acceptable for similar barges. However, a VAP needs to be on board an unmanned barge.

- *Inspection certificates and company documents are routinely maintained on board unmanned vessels.*
- *Coast Guard inspection documents are required to be on board.*
- *The VAP is an inspection document that the company and the Coast Guard may need to access at any time.*

1b. Must VAPs be maintained on board unmanned barges, or may they simply be available to the Coast Guard upon request?

Yes. Having the VAP maintained on board the vessel ensures availability.

2. May documents and plans created for other “Quality Management Programs” (e.g., the RCP, ISM, ISO 9000) be used in Plan development, since elements of these are similar?

- *The use of ISM documentation or other documents, such as those developed for the RCP or ISO 9000, may be incorporated into a CAP or VAP.*
- *Ultimately, the CAP and VAP must contain all the required material in order to be approved by the OCMI.*

3. May computer-based or other type of PMS be used in the SIP?

Companies that have in place a computer-based, or otherwise established PMS, may incorporate that system into their SIP. Suitable cross-referencing must be provided so that any USCG marine inspector will be able to conduct the requisite periodic inspections without difficulty.

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*V.D.: Plan Development -
Continued*

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|---|---|
| <p>4. Must the CAP include appendices which incorporate the VAPs for each enrolled vessel?</p> | <p><i>The CAP and VAPs are interdependent documents. It is necessary that each VAP be accessible to the company SIP Agent, as well as having a vessel-specific copy maintained on the vessel. How this is satisfied is left to the USCG SIP Advisor and Company SIP Representative to work out.</i></p> <hr/> |
| <p>5. When is a company required to submit plan revisions to the OCMI for approval?</p> | <p><i>The Coast Guard must be kept informed of changes that affect a company's CAP or VAP. The company SIP Agent and OCMI's SIP Advisor should agree on a frequency for review, revision, and submission of revisions for approval.</i></p> <hr/> |
| <p>6. As an alternative, can companies use a cross-reference sheet or glossary to define the prototype program or other existing program nomenclature in terms of the nationwide SIP's nomenclature?</p> | <ul style="list-style-type: none"> • <i>Yes. However, approved plans must be in compliance with the national SIP final rule.</i> • <i>An in-place prototype program already in compliance with the national SIP with the exception of nomenclature, may include a cross-reference glossary or index, as long as it allows confirmation of a plan's compliance with the requirements of the national program.</i> • <i>Companies enrolled in locally-endorsed prototype programs have 3 years to bring their plans into compliance with the national standards, after notifying the local OCMI of their intention to do so no later than 17 December 1998.</i> • <i>Components of other quality management schemes, or other company defined nomenclature, may be incorporated into the SIP Plans, provided adequate cross-referencing is made.</i> • <i>The OCMI has the flexibility and authority to accept revisions to prototype plans.</i> <hr/> |

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E. Vessel Specific Issues

FAQs in this section deal with Vessel Specific SIP Program policy.

1. Does the CAP and/or VAP have to be approved in each OCMI zone the vessel operates in?

- *For Sisterships: Once the CAP has been developed and approved for the first vessel, it can be used as part of the application to the next OCMI zone.*
- *Adding New OCMI Zones and Vessels: Revisions to the CAP will be required only as it pertains to operations under the SIP in the new location and management of the additional vessel. (e.g., geographically specific information, such as contractors, company personnel, addresses and phone numbers, etc.).*

CRITICAL NOTE: A CAP and VAP will be approved ONLY ONCE. The only time another OCMI will be involved with “approving” a previously approved CAP or VAP will be for “Changes in Employment” (Vessel adds or moves to another OCMI zone) or another vessel is added to the SIP fleet (revisions to the CAP and new VAP, or modifications of existing VAP—if sister-ships).

2. Does a vessel’s age impact its eligibility?

- *The Coast Guard’s experience has been that the age of a vessel is not the most reliable indicator of its condition or suitability for continued safe operation.*
- *Age alone is not, therefore, a singularly disqualifying factor for SIP eligibility.*
- *In considering a vessel for enrollment, the OCMI will review all aspects of a vessel’s condition, its history, and the operational and management practices relative to the vessel’s service.*

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*V.E.: Vessel Specific Issues -
Continued*

3. How will uninspected towing vessels (UTVs) which operate with SIP-enrolled passenger barges be dealt with?

This configuration presents a unique situation. Under SIP, the Coast Guard can only require a vessel owner to comply with the regulations applicable to the vessel.

- *While there are regulations applicable to UTVs, there currently are no regulations that apply to UTVs that would require routine Coast Guard inspection.*
- *Nevertheless, it certainly would be prudent for a vessel owner operating this arrangement to operate the UTV in accordance with a recognized quality assurance program, such as that being used by the Eighth Coast Guard District or the American Waterways Operator's Responsible Carrier Program (RCP).*

4. Can new-builds be constructed to SIP regulations?

No. SIP is process for conducting inspections, not an independent set of controlling vessel inspection subchapters under 46 CFR. For instance, a T-Boat enrolled in SIP is still certified as being in compliance with 46 CFR, Subchapter T—not 46 CFR Subchapter A, Part 8.

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F. Use of Outside Contractors

FAQs in this section deal with the use of outside contractors in a company's SIP Program.

1. Will outside vendors who repair and service certain equipment be able to serve as SIP examiners?

No. The SIP requires company personnel to conduct examinations.

- *Company personnel's participation will provide a sense of ownership and improve safety awareness.*
- *Company's may use a third party surveyor for consultation and support, but the liaison between the Coast Guard and vessel must be through a bona fide company employee with the authority to make binding agreements on the company's behalf.*
- *A Third-Party Surveyor **MAY NOT** be used to conduct and record the VAP required examinations. The Company conducted examinations **MUST BE CONDUCTED BY COMPANY PERSONNEL.***
- *Outside consultants may be utilized in program development and personnel training, but vessel personnel must conduct the vessel examinations.*

2. What is the policy regarding use of third-party personnel (e.g., outside marine surveyors, class societies, consultants, vendors, etc.) to inspect and certify inspected equipment and correct any deficiencies?

It is recognized that the maintenance, examination, or servicing of certain shipboard systems may be beyond the scope of a company's vessel or shoreside personnel. In these cases, outside expertise may be appropriate.

- *Outside personnel utilized in this manner must be included in the VAP.*
- *Section 8.530(a)(4) requires that the CAP identify the responsibilities of those individuals who examine and maintain equipment and how to verify and recorded their satisfactory performance. This applies to outside personnel, as well.*
- *The company's SIP Agent remains responsible for verifying that the work is completed by approved facilities and qualified personnel where required, that the equipment is installed and functioning properly, and the work has been properly documented.*

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**G. Fleet Operators
and/or Operations
in Multiple OCMI
Zones**

FAQs in this section deal with how companies that operate a fleet of vessels, and/or in multiple OCMI zones are to be managed under SIP Program policy.

1. Is there a difference in procedure for sister vessels that operate in ports other than that in which the first vessel is initially enrolled?

- *The previously-approved CAP need only have those sections which will be modified (e.g., personnel, area of operations) by the addition of the new vessel reviewed.*
 - *Subsequent OCMI review should focus on the revision of the CAP as it pertains to their zone.*
 - *Section 8.530(a)(3) requires that the CAP contain information on designated SIP support personnel responsible for implementation and oversight of the program.*
 - *The VAP will have to be modified as it is vessel- and area-specific.*
-

2a. How are vessels that operate in more than one OCMI Zone to be dealt with?

For companies with vessels in more than one OCMI inspection zone, the CAP will be approved by the cognizant OCMI in the zone where the initial application for the SIP enrollment is made.

2b. How will the OCMI zone be determined for companies operating multi-vessel fleets in multiple OCMI zones?

- *The same requirements that regulate the operation and inspection of any vessel in more than one OCMI zone apply to the SIP vessels.*
- *The Coast Guard's internal implementation guidance should ensure consistent implementation of the SIP.*
- *The VAP will have to be modified as it is vessel- and area-specific.*

The preferred procedure is to have the OCMI for the zone in which the initial vessel primarily operates do the initial enrollment for both company and vessel. Thereafter, each additional vessel should be enrolled in the zone it primarily operates, with that OCMI reviewing those revisions to the CAP necessary to include the new vessel in the SIP.

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**VI. Streamlined
Inspection
Program (SIP)
Forms**

- A. Inspection Schedule and Verification (ISV) Forms
- B. Examination Checklist (EC)
- C. Correction Report (CR)
- D. Coast Guard SIP Inspection Form
- E. Inspection Criteria References (ICR) for Subchapters
 - 1.a. 46 CFR Subchapter D/O: Tank Barges
 - 1.b. 46 CFR Subchapter D/O: Tankships
 - 2. 46 CFR Subchapter H: Passenger Vessels
 - 3. 46 CFR Subchapter I: Cargo and Miscellaneous
 - 4. 46 CFR Subchapter K: Small Passenger Vessels
 - 5. 46 CFR Subchapter L: Offshore Supply Vessels
 - 6. 46 CFR Subchapter T: Small Passenger Vessels,
Less Than 100 GT
- F. Deficiency Codes

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